

Introduction

Technology, changing demographics, and global economic competition are combining in unprecedented ways to change work and redefine the American workplace. Unlike jobs a half-century ago, most of today's job positions that pay family-supporting wages and offer opportunities for advancement demand strong academic and technical skills, technological proficiency, and some education and training beyond high school. Our prosperity and competitive edge hinge on the ability of our nation's schools to prepare every American for the future.

Given these dynamics, it is clear that – for the first time – every U.S. student needs to complete high school with a high level of academic skills and be prepared to take advantage of education and training beyond high school.

It is also clear that millions of working adults also need to gain up-to-date academic, workplace, and technical skills to adapt to the changing demands of the workplace, maintain their employability, or navigate through a career change.

The Federal Investment in the American Workforce

In January 2002, President George W. Bush signed into law the *No Child Left Behind Act of 2001* (NCLB Act), making the most sweeping changes to federal elementary and secondary education programs since 1965. The NCLB Act will strengthen accountability for helping every youth reach a level of academic proficiency in the core skills of reading and math.

The Carl D. Perkins Vocational and Technical Education Act of 1998 (Perkins Act) is the Department of Education's single largest investment in American high schools, as well as its largest investment in the preparation of young people for postsecondary education and the workforce.

Reforms made to the Perkins Act in 1998 increased the focus on ensuring that participating students at both the high school and college levels acquired academic and technical skills, as well as completed their respective programs and made transitions into further education and successful employment.

Despite making some progress in modernizing vocational and technical programs by creating an initial performance accountability system and strengthening the focus on academic performance among students participating in vocational and technical education courses, much work remains to be done, and significant improvements in the federal investment in vocational and technical education are needed. Too few students have access to programs that are sufficiently rigorous either in their academic or technical content, or that provide a clear pathway into the education and training beyond high school that most Americans need for continued economic success.

Building on the key principles of the NCLB Act, the Administration is proposing to modernize the federal investment in vocational and technical education by combining the best elements of the current Perkins state grant program and Tech-Prep programs into one new program – the Perkins Secondary and Technical Education Excellence Program (*Perkins Sec Tech*).

The new program would shift from providing traditional vocational education to a significantly stronger focus on supporting up-to-date career and technical education (CTE) pathways for youth and adults that are offered in coordination between secondary schools and postsecondary education and training partners.

For secondary schools, the new program would support and complement the academic achievement and accountability goals of the NCLB Act by requiring states and local educational agencies (LEAs) to focus more intensively on improving student academic achievement and outcomes in career and technical education programs. Further, the program would ensure that students are being taught the necessary skills to make successful transitions from high school to further education and training and into the workforce.

Adults seeking a career change or re-entering the workforce could access CTE pathways through postsecondary education and training providers that participate in the program's partnerships.

Under the proposed program, states would use 75 to 85 percent of their allocations to make performance awards to partnerships between LEAs and community and technical colleges and other partners that implement CTE pathways that include rigorous academic and technical skill standards and are accountable for positive student outcomes.

Perkins Sec Tech would give young people and adults already in the workforce the opportunity to realize a brighter future through hard work and the pursuit of academic excellence and relevant technical and workplace skills. It will support a new generation of academically and technically rigorous programs that span high school and postsecondary options. These programs will equip youth and career-changing adults with the skills they need to pursue careers in high-growth occupations that pay family-supporting wages.

The vast majority of current funding for career and technical education programs comes from state and local funding, with federal funding representing about one to two percent of the budgets of local educational agencies (LEAs) and community colleges. *Perkins Sec Tech* funds will be used to help develop and upgrade a statewide system of modern CTE pathways through a series of performance awards targeted to partnerships based on key quality criteria and the number of students and percentage of low income students served. These funds will support the expansion of innovations developed over the last decade – programs that are academically and technically rigorous and create strong linkages between high school and technical training beyond high school -- moving them from the margin to the mainstream of the federal investment.

Perkins Sec Tech will help states and local CTE pathway partnerships prepare young people and career-changing adults for the future, helping to create the talented and productive workforce we need to enhance our prosperity and competitiveness in the global economy.

Perkins Sec Tech reflects the core education principles of *No Child Left Behind* in the following ways:

Accountability for Results. Clear performance indicators, with more consistency and comparability than in current law, will help states measure the effectiveness of CTE pathways in improving student academic and technical skill attainment, preparing students who go directly into employment, increasing enrollment in postsecondary education, reducing the need for

remediation in college, increasing certificate and degree completion, and helping students succeed in the workforce. The performance awards in-state funding mechanism will ensure that federal dollars support high quality programs that deliver academic and technical skills for participating students.

Expanding Choices for Students and Families. Through this program, schools will uphold high expectations for all students, youth and adults. It will help develop and expand a wide variety of career and technical education pathways that help students stay in school, reach these raised expectations and be able to pursue education and training beyond high school, or to successfully enter employment.

Focusing on What Works. The *Perkins Sec Tech* program will focus federal funds on programs that are using data for decision-making, incorporating education strategies that are supported by rigorous research, demonstrating effectiveness in building strong academic and technical skills, and helping students graduate from high school and make successful transitions between secondary and postsecondary education and training.

Reducing Bureaucracy and Increasing Flexibility. States will have considerable flexibility in how they develop and operate their statewide system of partnerships, while being held accountable for improving student outcomes. Local partnerships will be able to spend federal funds on a wide variety of activities that contribute to building effective career and technical education pathways and meet the ambitious performance goals of the program.

By strengthening career technical education at both the high school and postsecondary level and creating CTE pathways, we can provide more effective assistance to youth moving toward the workforce and adults seeking to make a successful career transition. Strong connections to the workforce investment system will ensure that CTE pathways provide education and training that is relevant to the economic development and workforce needs of states and regions, and helps participating students achieve economic self-sufficiency. As under current law, community and technical colleges and other entities responsible for the postsecondary components of CTE pathways will be partners in the One-Stop Career Center system.

The Administration looks forward to consulting closely with Congress and with educators, students and their families to reach these goals.

A detailed description of the proposed program can be found in the following pages.

A New Vision for Career and Technical Education

The Perkins Secondary and Technical Education Excellence Act will fully complement the academic mission of No Child Left Behind Act of 2001 and the workforce development mission of the Workforce Investment Act of 1998 by helping states develop a system of career and technical education pathways. These pathways will help students develop strong and relevant academic and technical skills needed for today's workforce, make smooth transitions into the workforce or postsecondary education and training, and ultimately strengthen America's workforce and economic competitiveness.

DETAILED PROGRAM DESCRIPTION

Perkins Sec Tech is organized to support the following objectives:

- Ensure that career and technical education programs complement the academic mission of the NCLB Act and the workforce development mission of the *Workforce Investment Act of 1998*.
- Help every youth participating in a CTE pathway receive a challenging academic education that prepares him or her for future education and career success.
- Ensure that every CTE pathway in secondary schools offers a smooth transition into a
 postsecondary program leading to a technical certificate, associate or baccalaureate
 degree, apprenticeship, or a job.
- Make high-quality CTE pathways widely available to both youth and career-changing adults through a variety of institutions and delivery models.
- Connect CTE pathways to workforce investment systems to strengthen national and regional workforce quality and economic competitiveness.

Federal to State Funding

The *Perkins Sec Tech* program will use the same formula that is used in the current Perkins Act to allocate funds to each state. With these funds, each state will develop and strengthen a statewide network of CTE pathways open to both high school students and career-changing adults, carried out through partnerships that span secondary and postsecondary institutions and systems. Each state will:

- Carry out state leadership and administration activities, using a total of up to 15 percent of the state allocation (not more than a total of 5 percent can be used for administration, and, as in current law, the state must match any funds it spends on administration); and
- Make CTE Pathway Partnership Grants with at least 75 percent of the state allocation.
 These grants will be awarded to partnerships that offer students high quality CTE

pathways that span high school and postsecondary education and employment and training institutions, and culminate with an industry-recognized certificate, an associate or baccalaureate degree, or an apprenticeship certificate from a registered apprenticeship program.

 In addition, the state could set aside up to 10 percent of its allocation to make Special Focus Grants to LEAs, charter schools, regional vocational centers, colleges, or other eligible CTE programs that demonstrate need and that cannot meet that need adequately through the CTE Pathway Partnership Grants. Whatever amount is not spent for Special Focus Grants will revert to the CTE Pathway Partnership Grants.

Perkins Sec Tech funds must supplement, and not supplant, state and local funds. The new program will also include a state maintenance of effort requirement that is comparable to the maintenance of effort requirements established for other Department of Education programs.

State Leadership

Increased Coordination among State Agencies

A key priority for the new program is helping states create a system of connected CTE pathways that link secondary schools and postsecondary partners. Therefore, states will need to strengthen collaborative planning and implementation of the program. To respond to this need, *Perkins Sec Tech* provides new responsibilities for the "eligible agency" that is designated to work on behalf of the state in administering program funds. In keeping with current law, each state would be allowed to determine the entity within state government that will be designated. In many states the state educational agency responsible for K-12 education currently carries this designation, but in other states, the postsecondary agency or workforce agency has been designated to serve as the "eligible agency."

The critical priority is that in developing the state's plan for implementing *Perkins Sec Tech*, the designated eligible agency would ensure official concurrence from both the state educational agency responsible for K-12 education and the agency responsible for community and technical colleges.

The eligible agency also would be required to consult closely with the state's higher education board, the workforce investment system, local business and industry organizations with interest in CTE pathways, existing K-16 or K-20 coordinating councils, adult education programs, and any other organizations designated by the governor and chief state school officer.

Required State Leadership Activities

At a minimum, the Administration proposes that the eligible agency (hereafter referred to as "the state") be required to:

Create a performance award system for soliciting applications and approving awards to
CTE pathway partnerships and programs at high schools, community and technical
colleges, baccalaureate programs, employer-provided training, and apprenticeships. The
funding system would require partnerships to develop clear plans for the CTE pathway and
indicate how the partnership would meet the student performance outcomes of *Perkins Sec Tech*, while ensuring that funds would be equitably targeted to include partnerships with

higher degrees of financial need, that serve significant proportions of disadvantaged students, or that face unique geographic challenges, such as being located in a rural or urban settings.

The state will use strict program review criteria to judge the quality of applications it receives for performance awards to fund local partnerships and innovation grants. The state will use these program review criteria to ensure that local applicants create program plans that are likely to significantly increase the academic and technical skills, school graduation and program completion, and post-program employment outcomes of participating students. Criteria will be organized around four key elements of program quality:

- Promoting high levels of academic achievement;
- Promoting high levels of technical skill attainment;
- Promoting high levels of postsecondary and career awareness, preparation and planning; and
- Promoting system connections and integrated program delivery.

The performance award funding process developed by a state would have elements of peer-review of application criteria and formula allocation, similar to the funding mechanism used at the federal level in the Reading First program. In the Reading First program of federal-to-state grants, each state is allocated an amount of funding based on a formula. Eligibility for that funding is contingent on the state developing a high-quality application and a spending plan that meets the criteria of the program.

In a similar manner as the Reading First grant process, states could allocate funds among regions or schools based on a state-developed formula that includes both federal and state resources. But the funding to local programs would not be an entitlement and the specific formula each state uses would not be federally mandated. In applying for the funds, each partnership would be required to develop a high-quality plan for developing CTE pathways that meet federal and state program review criteria and, over time, demonstrate progress in meeting performance goals. This would give local programs a greater incentive to pursue rigor in all their programs as well as build the agreements and joint activities among the partner institutions that are needed for successful pathway implementation. It would also give these programs greater assurance of the funding continuity that is needed for program sustainability rather than the purely competitive approach that fixed length grants would allow.

- Ensure that CTE pathways approved by the state demonstrate a clear relationship to
 workforce and economic development priorities identified for action on a state or regional
 basis, and generally will lead to economic self-sufficiency for participating students.
 Economic self-sufficiency will be defined by the state to recognize regional differentials in
 factors such as cost of living and income.
- Create policies and the curricular requirements necessary to establish CTE pathways that
 use linkages between high school programs and postsecondary pathway partners, including
 community and technical colleges, colleges and universities, apprenticeships, and

employer-provided training.

 Strengthen career guidance and academic counseling services to enhance awareness of different career options (including nontraditional careers) and the education needed to pursue them, support more rigorous course-taking and higher levels of academic achievement by students, and facilitate the transition of students into further learning after high school.

Allowable State Leadership Activities

Among other things, each state would be authorized to carry out activities such as:

- Developing or updating academic and technical skill assessments for CTE pathways within the state:
- Identifying skill standards and curriculum frameworks for use in CTE pathways within the state:
- Aligning system requirements across secondary and postsecondary education such as:
 - joint data collection and reporting systems, particularly for data sharing systems that can enable secondary systems to know how well their graduating students performed at the postsecondary level in terms of academic remediation, program retention, and program completion.
 - use of high school academic and technical skill assessments for college admissions and placement decisions;
 - early administration of college placement tests to determine "college readiness" among high school students;
 - o strengthening dual and concurrent enrollment policies;
 - strengthening credit transfer policies for academic and technical courses between high school and postsecondary institutions as well as between community and technical colleges and colleges and universities.

As with the current Perkins Act, states would be authorized to develop any of these resources in collaboration with other states and to use leadership activity funds for these types of inter-state activities. States also may collaborate to address the needs of metropolitan areas that cross state boundaries.

CTE Pathway Partnership and Special Focus Grants

Using between 75 and 85 percent of the state allocation, the state will make multi-year CTE Pathway Partnership Grants to local partnerships among high schools and technical colleges, regional vocational centers, and others that offer all or part of a qualified CTE pathway.

Each state would use federal funds to assist in establishing a statewide system of CTE pathway partnerships. State and local revenues will continue to provide the large majority of funding for CTE programs. *Perkins Sec Tech* performance grants will strengthen and enhance the capacity of partnerships to offer CTE pathways.

The state will also have the flexibility to set aside up to 10 percent of its allocation to make Special Focus Grants to LEAs, charter schools, regional vocational centers, public colleges and universities, or other eligible CTE programs. This funding will allow the state to support

innovative or high quality practices at the regional or local level that do not clearly fit into the activities of a CTE pathway partnership, but are relevant to the goal of developing a statewide system of high-quality CTE pathways. For example, it may be a particularly useful mechanism for supporting rural programs that use technology, in funding new program innovation and development, and in enhancing services to special populations, such as English Language Learners and students with disabilities.

Special Focus Grants would support programs that serve students and do not duplicate the purposes of state leadership funds. Whatever amount is not used for *Special Focus Grants* will revert to the *CTE Pathway Partnership Grants*.

Targeted Funds to Greater Need

Grant amounts will reflect the total number of students who will be served by each partnership, and the concentration of students from low-income families who will be served. The state will also ensure that funds are distributed equitably across rural and urban communities, as well as among the different geographical areas of the state.

Eligible Partnerships

CTE pathway partnerships will include at least one LEA with a high school and one postsecondary partner, such as a community and technical college (or other public educational institution that offers a postsecondary certificate or associate degree program), tribal colleges or universities, or registered apprenticeships. In setting up the CTE pathway, members of the partnership will be required to consult closely with the workforce investment system and grantees under the President's proposed Community-based Job Training Grant program to make sure that programs are complementary, are linked together to the greatest degree possible, and are relevant to local and regional workforce needs.

In the CTE pathway partnership, eligible postsecondary partners may include a variety of entities, such as community and technical colleges, tribal colleges, colleges and universities, and, provided the pathway leads to a portable credential that is recognized throughout an industry sector, employer organizations, employers, and employee representatives, as determined by the state.

Based on state guidance, eligible partnerships could include multiple LEAs and postsecondary institutions organized in a consortium. In some circumstances, a partnership may include institutions that are geographically dispersed but offer complementary programs that include a clear sequence of non-duplicative courses, close coordination among faculty and facilities, and offer students articulated credits. These kinds of non-traditional partnerships would especially benefit rural areas.

Qualified CTE Pathways

Each CTE pathway partnership will offer one or more qualified CTE pathways that have been developed in accordance with guidelines laid out by the state.

Each CTE pathway must consist of an articulated sequence of courses that can begin in high school, include challenging academic classes and technical coursework, and culminate with an

industry-recognized certificate, associate or baccalaureate degree, or certificate of completion from a registered apprenticeship.

Whether they intend to enter the workforce immediately after high school or to go on to pursue further learning, all high school students need a strong academic foundation. After conducting extensive research involving front-line managers in the workplace and postsecondary educators, the American Diploma Project recently concluded that the academic expectations of employers and postsecondary education have converged: "Successful preparation for both postsecondary education and employment requires learning the same rigorous English and mathematics content and skills. No longer do students planning to go to work after high school need a different and less rigorous curriculum than those planning to go to college." CTE students who do not complete a challenging academic core will have great difficulty succeeding in America's 21st century economy.

Data from the National Assessment of Educational Progress make it clear that many CTE students are not receiving the academic preparation they need. In 1998, just 29 percent of 12th grade CTE students scored at or above proficient in reading, while 45 percent of students who did not concentrate their studies in CTE scored at or above proficient. In 2000, only 9 percent of 12th grade CTE students scored at or above proficient in math; 17 percent of students who did not concentrate in CTE scored at this level. Only 4 percent of female CTE students, 2 percent of African-American CTE students, and 3 percent of Hispanic CTE students scored at or above proficient in math.

Students cannot learn what they are not taught. *Perkins Sec Tech* will ensure that all CTE students have the opportunity to enroll in challenging academic courses that will help them reach proficiency, as defined by the state in accordance with the NCLB Act. High schools participating in the Perkins Sec Tech program must offer 4 years of English, 3 years of math and science, and 3 and a half years of social studies and encourage CTE students to complete this academic core.

Career and technical education coursework in each program must prepare students with general knowledge and technical skills necessary for employment in a wide range of in-demand occupations that lead to economic self-sufficiency, and must be developed in conjunction with employers to ensure that students learn skills that are relevant and valuable. While there will be a high level of flexibility in program development, programs will be required to include a focus on broad career orientation and preparation. The state will develop criteria for career pathways that are in-demand and lead to economic self-sufficiency for use by partnerships, and will have discretion to emphasize funding for career pathways that are linked to regional or statewide economic development priorities. In large states with multiple economic regions, the state will ensure that its guidance addresses the varying economic needs and priorities of different regions within the state.

While introductory career exploration courses may be part of an eligible pathway, the entire CTE pathway should be designed to ultimately confer postsecondary credit either through dual/concurrent enrollment, or through operational agreements that confer postsecondary credits for participating students. It will not be enough for a program to offer or promise these kind of credits; during the course of its multi-year performance award, the CTE pathway will need to demonstrate that a significant number of participating students are completing the secondary portion, accumulating college-level credits, and, that those credits are honored in a way that reduces students' postsecondary expenses and hastens their completion of the

program. Creating a strong network of connected programs will require the state to establish a process for standards development and curricular frameworks to ensure content taught at the high school and postsecondary levels is compatible.

In addition to final certifications and degrees, CTE pathways can offer intermediate-level credentials or certifications that indicate the student has acquired an introductory level of skills and knowledge within the career field. Intermediate credentials might include a lower-level nursing credential within a health sciences career pathway, or a childcare development credential within an education career pathway. It could also be targeted to signal that the student has acquired foundation skills prior to accumulation of postsecondary credits.

At the discretion of each partnership and in accordance with state and local policies, college level or dual credit courses may be taught on the campuses of postsecondary institutions by college faculty or at high schools by qualified high school teachers using curricula approved by the college, or delivered through distance learning.

The postsecondary components of the program may be open to all students, including career-changing adults, regardless of whether they participated in the high school portion of the program. Postsecondary institutions use a variety of outreach techniques, including general marketing to the public, career counseling services, and collaborative relationships with employers, employer organizations and the workforce investment system, to help adults understand the opportunities available through CTE pathways. These pathways will be open to any adult, and the postsecondary institution will determine what, if any, academic requirements the adult participant must meet in order to enroll in the CTE pathway.

CTE Pathway Partnership Responsibilities

At the discretion of each applicant and in accordance with state policy, either the postsecondary partner or the LEA may be the designated fiscal agent for the CTE pathway partnership. CTE pathway partnerships will have broad flexibility in using funds to implement the pathway. Authorized uses of funds for CTE pathway partnerships and Special Focus Grants will include curriculum development, career guidance and academic counseling, classroom instruction, equipment and supplies, student support services, and academic support programs to help students persist in and complete the program. Funds may also be used by LEAs and postsecondary partners to address the needs of students with limited reading/language arts and math skills, who are English Language Learners, or who have disabilities to enable them to participate in the CTE pathway. For both Partnerships and Special Focus Grants, no more than 5 percent of the grant may be used for administrative expenses.

Based on guidance developed by the state, CTE pathway partnerships will have responsibility for activities such as:

- Developing and adapting technical curricula, within program frameworks approved by the state.
- Setting dual or concurrent enrollment policies, within the policy framework established by the state.
- Engaging employer partners to advise on program content and provide internship and work-study opportunities,
- Developing and coordinating professional development activities,

- Offering intensive academic and support services to facilitate student participation in CTE pathways, including students with disabilities and English Language Learners;
- Coordinating the purchase of equipment and the shared use of instructors and facilities;
 and
- Coordinating Perkins Sec Tech activities with related activities carried out with other federal, state, local and private funds.

Coordination with Workforce Investment and related systems

CTE pathway partnerships and Special Focus grantees will consult with the workforce investment system, labor market information and economic development authorities, and grantees of the proposed Community-based Job Training Grant program (which will include community colleges and business/industry) concerning the postsecondary components of the *Perkins Sec Tech* programs. Community and technical colleges and other entities responsible for the postsecondary components of CTE pathways also will be partners in the One-Stop Career Center system.

Accountability for Performance

Simpler, Clearer Measures of Student Outcomes

Performance data from the current Perkins accountability system are difficult to use for program improvement or accountability for two reasons. First, by law each state has very wide discretion to choose measurement approaches for the performance indicators, many of which (in practice) meet no standard of reliability or validity. Secondly, there is not consistency among states about how a vocational student is defined.

Perkins Sec Tech will use the Administration's streamlined common performance measures for federal education, job training, and employment programs. Partnerships will establish challenging performance targets that are tailored to each specific program's previous performance and characteristics, but that uphold the principle of significant and continuous improvement. The state will negotiate unique targets for each Partnership based on current performance benchmarks and the unique characteristics of its student population. The academic and completion targets will align with targets already established for adequate yearly progress (AYP) under the *NCLB Act*.

Each state will develop a process to hold local partnerships and Special Focus Grant awardees accountable for performance through a system of rewards and sanctions, based on the overall performance of the awardee for both its secondary and postsecondary performance indicators, as appropriate.

To simplify and focus the current accountability system, performance indicators will measure the outcomes only of students who demonstrate a specific interest in completing a CTE pathway. At the high school level, the accountability system will focus on the outcomes of students who enroll in a sequence of two or more courses in a CTE pathway in order to distinguish between students who are taking CTE classes for career exploration and students who are actively pursuing a CTE pathway. At the postsecondary level, the accountability system will focus on students who have demonstrated an intention to participate in a CTE pathway by completing a

basic level of introductory coursework. Students will still be able to take individual CTE classes to explore or sample various career options, and postsecondary institutions will be able to provide short-term training classes, but programs will be accountable for students who demonstrate an interest in completing a CTE pathway.

Secondary Performance Indicators

The *Perkins Sec Tech* performance indicators for students participating in the secondary component of CTE pathways will be:

<u>Secondary student academic proficiency</u>, as measured by state assessments in reading or language arts, mathematics, and, beginning in the 2007-08 school year, science. At a minimum, a state must use the academic assessments it administers between grades 10 and 12 to meet the accountability requirements of Part A of Title I of the ESEA. A state may propose to use alternative, valid, and reliable standardized assessments in these academic subjects if they are aligned with the state's academic content and student achievement standards, and assess more challenging content than the state's ESEA Title I assessments. For many students who do not take CTE classes until the 10th grade, academic assessments administered in 9th or 10th grade provide an indication of their academic performance, but are not able to demonstrate academic gains related to their participation in CTE pathways. Using academic assessments administered at a later point in their high school career may shed more light on the impact of CTE on students' academic performance.

<u>Math and science preparation</u>, as measured by the percentage of participating students who: (1) earn 3 or more credits in math; (2) complete Algebra I, Geometry, and Algebra II; (3) earn 3 or more credits in science; and (4) complete Biology and Chemistry, and either Physics or Anatomy and Physiology.

<u>High school completion</u>, as measured by the percentage of participating students who earn a regular high school diploma and as defined in the accountability requirements of Part A of Title I of the ESEA. The current Perkins law allows the state to identify the percentage of current 12th graders who actually graduate; this could vastly understate the real dropout rate and graduation rate.

<u>Transition to postsecondary education and training.</u> The percentage of CTE pathway students who enroll in postsecondary education and training after completing high school. This data element exists in current law.

<u>Transition to employment (including the military) and retention in employment</u> (similar to current law).

Postsecondary Performance Indicators

The performance indicators for students participating in the postsecondary component of a *Perkins Sec Tech* program (including both recent high school graduates who are continuing in a CTE pathway and career-changing adults who enter the CTE pathway at the postsecondary level) will be:

<u>Retention in, and completion of, an associate's degree or certificate, or transfer</u> to a baccalaureate degree program. While course-taking at the postsecondary level is somewhat beneficial to the student, completion of a college technical program has a very strong earnings gain associated with it compared to just taking college-level coursework.

<u>Placement in employment, retention in employment (similar to current law), and increase in earnings.</u>

To the extent consistent with state law and the Family Educational Rights and Privacy Act, state unemployment insurance wage records will be the primary data source for identifying the employment outcomes of participants. This is the most inexpensive and accurate method to determine employment outcomes. If wage records are not available, supplemental data sources, such as student surveys or contacts with employers, will be permitted as an interim means of identifying employment results until all states are able to access and use wage records. These supplemental data sources must be valid and reliable.

Additional Indicators

States may also choose to adopt and report additional indicators to measure program performance, such as technical skill attainment or student success on state licensure exams that are given at the end of the high school program.

Setting and Achieving More Ambitious Performance Goals

- Each state will propose, as part of its state plan, annual levels of performance for the first three years of its implementation of the program. Using existing baseline performance data, the Department will set out ambitious, multi-year performance targets for each indicator in its annual Government Performance and Results Act (GPRA) plan. In evaluating each state's proposed levels of performance, the Department will consider the extent to which the proposed levels are consistent with the Department's GPRA objectives, as well as whether they improve on the state's prior year performance. Approved levels of performance will be incorporated into the state plan. New state performance targets for the remaining three years of the law will be established by the end of the third program year.
- Proposed state levels of performance for the academic achievement of high school students will be evaluated only to ensure that they are consistent with the adequate yearly progress goals the state has established under Title I of the ESEA.
- States will set performance goals for each of the local partnerships and programs they fund.
 States will provide technical assistance to partnerships that do not meet their agreed-on goals, but also will have the discretion to terminate funding for partnerships that are not achieving results.

Performance Reporting, Incentives, and Sanctions

Each year, the state will report to the Department and the public on the performance of students enrolled in *Perkins Sec Tech* programs, and the extent to which the state met its performance targets. The Secretary will be authorized to reserve a portion of the annual appropriation (up to

0.5 percent) to offer incentive grants to states that demonstrate exceptional performance in meeting their performance goals. Technical assistance will be provided to states that do not meet their annual performance goals. The Department may apply financial sanctions to states that consistently do not meet their performance targets even after receiving technical assistance and implementing program improvement plans.

National Leadership Activities

The Secretary will be authorized to reserve a portion of the annual appropriation (up to 2.5 percent) to carry out national activities that further the purposes of the Act, which may include:

- Rigorous evaluations of programs and activities funded under the Act;
- Demonstration, development, and capacity-building initiatives, such as State Scholars programs carried out by business and education partnerships;
- Scientifically based research to identify effective methods for improving secondary and technical education; and
- Technical assistance to states and other entities to improve the quality of secondary and technical education.

Native American Programs

As under current law, *Perkins Sec Tech* will reserve a portion of the annual appropriation (1.25 percent) for multi-year competitive grants to federally recognized Indian tribes, tribal organizations (including tribal colleges and universities), and Alaska Native entities to carry out secondary and technical education activities consistent with the purposes of the Act. An Indian tribe, tribal organization, or Alaska Native entity may use grant funds to provide assistance to a secondary school operated or supported by the Bureau of Indian Affairs. Tribal colleges and universities also will be eligible to participate in CTE pathway partnership programs supported by the state grant program. In keeping with current law, an additional .25 percent will be reserved for programs that benefit Native Hawaiians.

National Assessment of Education Progress

To receive Perkins Sec Tech funds, states must agree to participate in the 12th grade NAEP assessments in math and reading. Currently, states are required to participate in the NAEP in 4th and 8th grades in reading and math every two years. Extending this requirement to 12th grade will enable educators to assess whether high schools are meeting the needs of students so they can learn the skills they will need to succeed. It will also help to identify areas where they are not meeting the needs of students and to strengthen curricula to ensure improvement. Funding for the 12th grade NAEP will be provided from appropriations for the Institute of Education Sciences.

Summary

President Bush proposes the *Perkins Secondary and Technical Education Excellence Act* on behalf of America's youth and adults. By strengthening career and technical education at both

the high school and postsecondary levels and creating CTE pathways, we can provide more effective assistance to youth moving toward the workforce and to adults seeking to make a successful career transition.

The Bush Administration looks forward to consulting closely with Congress and with educators, students and their families to reach these goals. Working together to provide the best opportunities possible to successfully prepare America's youth and adult workers, we can ensure that we succeed in *Preparing America's Future*.

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